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DEPOSITORY

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

HP-11 October 13, 1930

WORLD HOG AND PORK PROSPECTS

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THE WORLD SITUATION

Hog and pork prices in the United States advanced during the month of September. The number of hogs slaughtered was slightly larger than in August but average weights were less. Inspected slaughter for the marketing year just ended was 7 per cent less than that of the previous year. The relation of feed prices to hog prices continues unfavorable to hog production. The foreign demand for the products of the United States continues weak.

Increased marketings of hogs in European markets during September gave additional evidence of larger hog numbers in the principal European hog producing countries. Information available in the Bureau of Agricultural Economics indicates that the upward tendency of market supplies and the relatively low level of hog prices may continue for several months, but recent shifts in the relation of hog prices to feed prices will tend to check the expansion in European hog production.

Lower prices prevailed in the British cured pork market during September. Record receipts of Danish bacon have occurred during recent months. Reports indicate that increased supplies of cured pork from Netherlands to United Kingdom may be expected during the winter months.

Lard prices advanced in September both at home and abroad. Decreased production in the United States and a reduction in world storage stocks contributed to the advance. Prices are still below the levels of a year ago in European markets, but they are at the highest level since 1928 in the United States.

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UNITED STATES

Slaughter supplies of hogs in the United States were slightly larger in September than in August, but prices averaged higher for live hogs and fresh and cured pork. Hog prices at Chicago averaged $9.99 for the first week of the month, and after advancing to $10.17 during the second week they declined during the last two weeks, making a monthly average of $9.76 as against $9.58 in August and $9.85 in September 1929. A sharp decline during the first week of October brought the weekly average to $8.96 or below the low point of last winter. Some recovery is being made during the second week of October. An increased proportion of light hogs was marketed and a relative scarcity of well finished, heavy butcher hogs prevailed. This change in the consist of the supply was largely responsible for heavy hogs selling at a premium contrary to their market position during recent months and a year ago. Heavy hogs at Chicago averaged about 10 cents per hundred pounds higher than light hogs, as compared with a 65 cent discount in August, 1930 and a 50 cent discount in September, 1929. The average weight at Chicago was 244 pounds as against 255 pounds in August and 259 pounds in September 1929. Federally inspected slaughter during September, amounting to 2,773,000 head, was 1.8 per cent larger than that of August and 11 per cent below the slaughter of September 1929. The total slaughter for the marketing year, October 1929 to September 1930, inclusive, amounted to 45,542,000 head as compared with 48,957,000 head slaughtered during the 1928-29 marketing year, a decrease of about 7 per cent.

Wholesale prices for fresh pork averaged higher in September than in August, with the exception of hams and light loins which were lower at Chicago and steady at New York. Prices are still under those of a year ago, being 50 cents to $1.00 lower for the cheaper cuts at Chicago and $3.00 to $4.00 lower for the more valuable cuts. 10-12 pound loins at Chicago averaged $24.78 in September as compared with $25.60 in August and $28.34 in September 1929, while 8 to 12 pound skinned shoulders averaged $16.48 as against $15.78 in August and $17.34 in September 1929.

Wholesale prices for most cured pork cuts made an advance during September. Bacon prices made the greatest advance, averaging higher than those of a year ago. No. 1 dry cure bacon, 8-10 pounds at Chicago averaged $31.38 as compared with $29.75 in August and $30.25 in September 1929. Prices for smoked hams and dry salt backs were steady to moderately higher, but remained under the prices of a year earlier.

The quantity of cured pork exported during August was smaller than that of July 1930, and August 1929. Total bacon exports of 6,900,000 pounds were slightly more than those in July, but were 48 per cent less than those of August 1929. Takings by United Kingdom were about 23 per cent under those of a year earlier and Germany purchased only about one-third as much as the 996,000 pounds taken in August 1929. Bacon exports to Cuba were 29 per cent more than those of a year earlier. Total exports of hams and shoulders in August were about equal to those of August 1929, but were 22 per cent less than those of July. Takings by United Kingdom, the principal foreign outlet of American hams and shoulders, were 23 per cent under those of July, but total purchases for the 11 months ending with August were 7.7 per cent larger than those of the corresponding period a year earlier.

The outstanding feature of the market for pork products during September was the strong advance in lard prices. The price of refined lard at Chicago averaged $14.25 in September as compared with $12.44 in August and $10.50 in July. It is the highest monthly average price since October 1928. The marked reduction in the market supply of heavy hogs, the abnormally small storage holdings, and a stronger market abroad were largely responsible for the sharp rise in domestic lard prices. A price advance usually occurs in September, but the $3.75 advance since July was much more than the normal seasonal rise. Lard exports during August amounting to 49,287,000 pounds were 4.6 per cent less than those of July and 11.2 per cent under those of August 1929. Takings by Germany, Netherlands, and Cuba were larger than those of a month earlier, but purchases by United Kingdom decreased about 29 per cent.

Corn prices declined during September. No. 3 yellow at Chicago averaged 94 cents as against 99 cents in August and $1.01 in September 1929. The corn-hog ratio for the North Central States was 11.1 in September as compared to 10.1 for August and 12.7 for the five-year September average. The relation of wheat prices to corn prices still permits the feeding of wheat to an advantage in many sections.

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United Kingdom

With heavy supplies almost eliminating the usual seasonal August price advance in British cured pork markets, values during September were again easier in most lines, and generally under last year's levels. Danish Wiltshire sides, the leading item in the British cured pork trade, averaged about $19.45 per 100 pounds at Liverpool for September, the lowest average of recent years for that month, according to Agricultural Commissioner Foley at London. A year ago that line was averaging $24.33. Canadian green sides dropped about 50 cents from the August average to reach $19.55 against about $24.00 last year, while American short cut green hams, down to $21.12 for September were $2.69 lower than in September 1929. An unusually light supply was a factor contributing to the upward price movement of the past 3 months for American green bellies, the September level being around $20.10 against $18.83 a year earlier.

Cured pork stocks at Liverpool on October 1 were below those of a month earlier, and 40 per cent smaller than on October 1, 1929. Total bacon imports for August reached 84,758,000 pounds, a slight decline from the July figures but about 3.6 per cent larger than last year. Total bacon imports for the season October 1 - August 31, 1929-30, were 2.2 per cent larger than for the corresponding 11 months of the 1928-29 season. Most of the leading sources sent slightly less bacon in August than in July. Current receipts from Denmark, however, were over 55,000,000 pounds, a record for that month and 14.5 per cent larger than a year ago. For the current season to August 31, imports from Denmark were 11.3 per cent larger than in 1928-29. August receipts from Irish Free State, Canada and the United States continued at the reduced levels of recent months, with the current season's total for the latter country to the end of August standing 8 per cent below that of last season. Ham imports, however, most of which come from the United States, maintained the larger volume of recent months to reach an 11 months' total 6.8 per cent larger than in 1928-29.

The somewhat seasonal advance in foreign lard prices in September brought Liverpool values to an average of about 13.16. That figure was 59 cents above the July average, but slightly below last year's relatively low average. Liverpool stocks on October 1 were much smaller than a month earlier, and the lowest since April 1, 1927. It appears that the lower prices prevailing this season have encouraged the consumption of lard in the United Kingdom, since stocks have remained only moderate in spite of imports having more than equaled those of last season. The August imports were smaller than in either July 1930 or August 1929, but the 11 months' total as of August 31, 1930 was more than 2,000,000 pounds larger than the corresponding 1928 -29 figure. The current season's total so far is 6 per cent larger than the average for the first 11 months of the seasons 1924-25 to 1928-29, and 32.8 per cent above the corresponding pre-war average.

The reduced domestic supplies of pork in British markets were continued into August. Total receipts of fat pigs at representative markets for the 11 months ended August 31, 1930 were 15.6 per cent smaller than in the corresponding 1928-29 period. At no period of the current season have the London supplies of British and Irish fresh pork equaled the amounts received during the 1928-29 season, and August figures were relatively lower than in earlier months as against those of last year. This season's total supplies up to August 31 were 21.4 per cent smaller than those of last year. Considerable interest has been displayed in a recent report of a commission investigating the British hog industry suggesting that tariff protection is essential to profitable hog raising in Great Britain and Ireland. In the latter country there are some signs of more hogs being available for market this year than last. The increase, however, is not significant, either for the fresh pork trade or for Irish bacon curers.

Denmark and Netherlands

Additional evidence of larger continental cured pork supplies being available for British markets is seen in the increased Danish exports for August. Preliminary returns for that month on total bacon exports, most of which goes to the United Kingdom, show an export of 56,180,000 pounds, one of the largest monthly movements on record, and 14.3 per cent larger than in August 1929. Exports for the current season to August 31 were 11.8 per cent ahead of last season at the same time, and slightly larger than the exports for the first 11 months of the 1927-28 season, the former record year. In the Netherlands the level of exports to the United Kingdom has been fairly constant since last June and below levels of a year ago. There are persistent reports, however, of additional market supplies of hogs in the Netherlands which may be expected to result in heavier cured pork exports during the coming winter. British import figures indicate that the current season's imports of bacon from the Netherlands to August 31 were 23.8 per cent below those of the same months of last season.

Germany

The current decline in European hog prices incidental to increased hog numbers brought the Berlin average price of heavy hogs down to ₰13.08 per 100 pounds for September, according to Agricultural Commissioner Steere at Berlin. The current level is the lowest since May 1928 and ₰5.52 below the average of a year ago. The August 1930 average was ₰4.52 or 24.3 per cent below the figures for a year earlier. The sharp rise in German feed prices during August brought feed potatoes at Breslau up to a level 25 per cent higher than last year, while barley prices in Leipzig were slightly higher than in August 1929. The indicated shift in feed prices has resulted in intensifying the unfavorable hog - feed price relationship growing out of the progressive declines in hog prices during recent months.

Hog receipts at 14 German markets during September maintained the upward tendency of the past few months and were larger than a year ago, according to preliminary figures cabled by Mr. Steere. The season's total receipts to August 31 at those markets were only slightly below the corresponding 1928-29 figures. Inspected slaughter figures for the current season to the same date were 6.3 per cent lower than a year ago in spite of the fact that since June more hogs have been killed this season than last. Bacon imports into Germany, principally from the Netherlands, were larger in August than a year earlier, continuing the tendency of the current season to date. By August 31, the season's total bacon imports had reached a level 59 per cent higher than for the first 11 months of the 1928-29 season.

The September upward movement in lard prices resulted in a Hamburg average of about ℳ13.87 per 100 pounds. That figure represented an increase of nearly ℳ1.00 over the August average, and almost equaled the average for September 1929. The current average, however, was the lowest for any September of recent years. Light August imports contributed to the higher September price level. The total August import of less than 13,000,000 pounds, largely from the United States, was below the relatively small figures of both July 1930 and August 1929. It was below the imports of any August in recent years and smaller than for any month since December 1925. Since March 1930, lard imports into Germany have been smaller than for most of the corresponding months of 1929, a reversal of conditions prevailing earlier in the current season. The total season's imports to August 31, however, show an advance of 1.5 per cent over the corresponding 11 months of the 1928-29 season. Indications are that, in spite of the prevailing low price of lard, substitute fats, especially those of vegetable origin, are offering increasing competition with lard in the German market.

Belgium

There is a more encouraging outlook for the sale of American lard in Belgium, according to a report of early September from American Consul Heinecke at Antwerp. The recent rise in prices checked forward orders somewhat, but considerable business was done in current supplies. There was a good and regular demand for American lard during August. A factor favoring American pure lard is the new Belgian duty on other edible fats coming from the Netherlands. Competition in other pork products is becoming keener in the Belgian market, the Consul reports. Russia was the first to establish competition with the American products, but Poland is now sending regularly large quantities of mild cured Wiltshire sides. During August the demand for most American cured products was light. Fat backs were almost entirely neglected and stocks accumulated. In picnics also heavy stocks were reported, and new orders of any consequence were anticipated before the end of September. In hams, however, the August trade was brisk with important canned supplies coming from several European countries, especially Netherlands and Denmark.

HOGS AND PORK PRODUCTS: Indices of foreign supplies and demand

Country and item	Unit	1909-10 to 1913-14 average	1924-25 to 1928-29 average	Oct. - Aug. 1926-27	1927-28	1928-29	1929-30
UNITED KINGDOM:							
Production -							
Fat pigs, certain markets	1000's	546	551	494	587	631	581
Supplies, domestic fresh pork, London	1000 pounds		49,475	53,210	72,931	69,601	55,142
Imports -							
Bacon -							
Denmark	"	225,318	461,397	482,091	567,159	503,922	561,361
Irish F. State	"		48,947	39,623	52,491	56,269	39,776
United States	"	169,355	97,473	78,296	60,049	62,893	58,122
Canada	"	38,920	70,388	59,821	38,045	21,910	14,174
Others	"	39,755	150,552	191,021	208,039	214,594	205,796
Total	"	473,548	828,757	850,852	925,685	859,588	879,229
Ham, total	"	89,072	117,992	97,736	99,784	102,184	109,322
Lard, total	"	198,095	248,359	233,278	264,410	260,789	262,871
DENMARK:							
Exports -							
Bacon	"		458,299	488,792	555,517	497,089	555,858
U.S.A.:							
Slaughter -							
Hogs, inspected	1000's	1,558	2,395	2,392	2,426	2,219	1,993
CANADA:							
Production -							
Hog receipts 14 cities	"		2,953	3,031	3,871	3,202	3,043
Hog slaughter 36 centers	"	4,061	3,677	3,587	4,783	4,217	3,949
Imports -	1000 pounds						
Bacon, total		2,411	15,481	13,937	7,766	9,959	15,918
Lard, total	"	181,568	200,678	211,668	173,953	187,950	190,461
UNITED STATES:							
Slaughter -							
Hogs, inspected	1000's	29,749	42,700	40,556	44,862	45,853	42,739
Exports -							
Bacon -	1000 pounds						
United Kingdom	"	120,385	80,011	47,782	40,296	44,969	46,642
Germany	"	1,371	10,481	6,705	8,585	6,820	5,847
Cuba	"	7,421	18,955	19,703	17,881	14,397	14,666
Total	"	163,915	129,010	100,778	112,754	118,069	104,119
Hams, shoulders							
United Kingdom	"	130,542	132,172	104,207	100,366	89,463	96,352
Total	"	151,831	157,357	123,207	121,475	112,053	118,675
Lard -							
United Kingdom	"	157,955	210,059	191,941	218,791	219,772	228,315
Germany	"	126,440	172,290	161,253	152,087	152,085	155,571
Cuba	"	54,683	73,969	71,941	75,689	76,452	71,359
Netherlands	"	33,382	37,210	39,618	31,298	40,114	41,344
Total	"	430,446	664,455	611,875	662,455	750,716	710,015

UNIVERSITY OF FLORIDA
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HOGS AND PORK PRODUCTS: Foreign and domestic average prices per 100 pounds for the month indicated, and stocks at the end of each month

Item	Aug. 1909-1913 average	Aug. 1925-1929 average	Aug. 1929	July 1930	Aug. 1930
	Dollars	Dollars	Dollars	Dollars	Dollars
Prices -					
Hogs, Chicago, basis packers' and shippers' quotations	8.00	11.04	10.52	8.73	9.58
Corn, Chicago, No. 3 yellow	1.25	1.76	1.80	1.46	1.77
Hogs, heavy, Berlin, live weight	12.31	17.11	18.57	14.29	14.05
Potatoes, Breslau feeding	.33	.62	.48	.48	.60
Barley, Leipzig	1.72	2.11	2.00	1.78	2.02
Lard -					
Chicago	10.89	15.42	13.56	10.50	12.44
Liverpool	12.10	15.58	13.72	11.20	12.61
Hamburg	19.33	16.17	14.02	11.54	12.72
Cured pork -					
Liverpool -					
American short cut green hams	15.70	26.49	26.23	24.58	22.27
American green bellies		22.18	19.61	17.68	18.36
Danish Wiltshire sides	16.60	26.08	27.81	19.94	a/20.43
Canadian green sides	15.67	23.28	25.36	18.85	20.05
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Stocks -					
Liverpool -					
Hams, bacon and shoulders		4,988	7,396	4,965	4,738
Lard, refined		10,658	12,871	3,591	3,158
United States -					
Processed pork b/		674,941	719,400	651,444	551,760
Lard in cold storage		158,190	180,065	118,353	89,140

a/ One week only.
b/ Dry salt cured and in process of cure; pickled, cured, and in process of cure, and frozen.

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